

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2002-547

December 31, 2002

KENNEBUNK, KENNEBUNKPORT &  
WELLS WATER DISTRICT AND  
YORK WATER DISTRICT  
Joint Request for Approval of  
Interconnection And Mutual Supply  
Agreement and Request for an Order  
Clarifying the Respective Rights of the Districts  
to Serve Customers in a Certain Portion  
of York, Maine Currently Governed by an  
Order in Docket 94-173

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY**

We approve the Interconnection and Mutual Supply Agreement between the Kennebunk, Kennebunkport and Wells Water District (Kennebunk) and the York Water District (York). We also approve a change in the portions of the Town of York that are to be served by Kennebunk and York. Ordering Paragraph 5 in the Order in 94-173 and 94-335 establishing a Kennebunk service area for a portion of the Town of York is hereby vacated.

**II. BACKGROUND**

On September 12, 2002, the Districts (Kennebunk and York) filed with the Commission a request for approval of an interconnection and mutual water supply agreement. The Districts also requested Commission approval of changes to the boundary of that territory in the Town of York that is/will be served by Kennebunk.

The interconnection agreement provides that York and Kennebunk will construct an interconnection facility, and related infrastructure, necessary to connect their respective systems at the York/Ogunquit town line. The interconnection will enable the Districts to provide a supplemental source of water supply to each other during certain times of the year, when each District is most likely to experience a shortage of water from its primary source of supply, and during emergencies.

The interconnection agreement provides that on June 1 and December 1 of each year, the usage of the two Districts will be compared, and the District with the greater usage will pay for the net amount of the water used. The price will be set annually and will

be equal to the highest of either (a) \$300 per million gallons; (b) the higher of the two Districts' average annual unit cost (calculated as the annual unit cost plus 10% for power and chemicals needed to treat and pump the water); (c) the amount the supplying District is paying for water from a third-party plus 10% if the consuming District is receiving more water than is being purchased from the third-party; or (d) the weighted average cost plus 10% if the consuming District is receiving less water than is being purchased from the third party.

The interconnection agreement continues from year to year unless there is a breach or unless, after 25 years have passed, either District provides two years notice of termination of the agreement.

In their joint petition, the Districts request that the Commission approve the boundary to delineate the territory in the Town of York within which Kennebunk may provide service. Commission Staff met with the Districts to clarify the Districts' proposed changes to the boundary approved by the Commission in Docket No. 94-173. The Districts, as a result of that meeting, agreed upon and filed a proposed map of the boundary on December 3, 2002. The Map is attached to this Order as Exhibit A.

Exhibit A shows the portion of the Town of York to be served by Kennebunk shaded in red. The area to be served by York is shaded blue. The proposed boundary is based upon actual property lines. The proposed change in the portion of the Town of York served by Kennebunk has the effect of returning authority to serve the area along U.S. Route 1 to York. This will permit York to serve new customers from the new main that will be constructed for the interconnection with Kennebunk. Kennebunk will retain the right to provide service to its existing seasonal customers in the Town of York. York retains the right to serve its existing seasonal customers within the area that Kennebunk is authorized to serve.

### **III. DISCUSSION**

The proposed interconnection agreement appears to be reasonable and in the best interest of the customers of both Districts. We will approve the interconnection agreement.

The proposed change, in the portion of the Town of York to be served by Kennebunk, is reasonable and appropriate when considered in conjunction with the interconnection agreement. We will approve the amended service area boundary between Kennebunk and York as depicted in Exhibit A attached hereto.

Accordingly, it is

**O R D E R E D**

1. That the Water District Mutual Supply Agreement by and between the Kennebunk, Kennebunkport and Wells Water District and the York Water District, filed with the Commission on September 12, 2002 is approved.

2. That Ordering Paragraph 5 in the Order in Docket Nos. 94-173 and 94-335 is hereby vacated.

3. That, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, we find that public convenience and necessity require that the Kennebunk, Kennebunkport and Wells Water District provide water service within the portion of the Town of York identified (area shaded red) in Exhibit A attached to this Order. The Kennebunk, Kennebunkport and Wells Water District is authorized to provide that service.

4. That the Kennebunk, Kennebunkport and Wells Water District may continue to serve its existing seasonal customers within the service area of the York Water District.

5. That the York Water District may continue to serve its existing seasonal customers within the service area of the Kennebunk, Kennebunkport and Wells Water District.

Dated at Augusta, Maine this 31<sup>st</sup> Day of December 2002.

**BY ORDER OF THE COMMISSION**

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch

Diamond

COMMISSIONER ABSENT:

Nugent

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.